

# House File 2301 - Introduced

HOUSE FILE 2301  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 602)

## A BILL FOR

1 An Act relating to alcoholic beverage control and matters  
2 under the purview of the alcoholic beverages division of  
3 the department of commerce and including effective date  
4 provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

ALCOHOLIC BEVERAGE CONTROL

Section 1. Section 123.46A, subsection 3, paragraph f, Code 2022, is amended to read as follows:

f. Deliveries shall occur between 6:00 a.m. and 10:00 p.m. Monday through Sunday on the same day the order for alcoholic liquor, wine, beer, or mixed drinks or cocktails is removed from the licensed premises.

Sec. 2. Section 123.50, subsection 1, Code 2022, is amended to read as follows:

1. Any person who violates any of the provisions of section 123.49, except section 123.49, subsection 2, paragraph "h", or who fails to affix upon sale, defaces, or fails to record a keg identification ~~sticker~~ label or produce a record of keg identification ~~stickers~~ labels pursuant to section 123.138, shall be guilty of a simple misdemeanor. A person who violates section 123.49, subsection 2, paragraph "h", commits a simple misdemeanor punishable as a scheduled violation under section 805.8C, subsection 2.

Sec. 3. Section 123.138, subsection 2, paragraphs a and b, Code 2022, are amended to read as follows:

a. Each class "B", "C", or special class "C" liquor control licensee and class "B" or "C" beer permittee who sells beer for off-premises consumption shall affix to each keg of beer an identification ~~sticker~~ label provided by the administrator. The ~~sticker~~ label provided shall allow for its full removal when common external keg cleaning procedures are performed. For the purposes of this subsection, "keg" means all durable and disposable containers with a liquid capacity of five gallons or more. Each class "B", "C", or special class "C" liquor control licensee and class "B" or "C" beer permittee shall also keep a record of the identification ~~sticker~~ label number of each keg of beer sold by the licensee or permittee with the name and address of the purchaser and the number of the purchaser's driver's license, nonoperator's identification card, or

1 military identification card, if the military identification  
2 card contains a picture and signature. This information shall  
3 be retained by the licensee or permittee for a minimum of  
4 ninety days. The records kept pursuant to [this subsection](#)  
5 shall be available for inspection by any law enforcement  
6 officer during normal business hours.

7     **b.** (1) The division shall provide the keg identification  
8 ~~stickers~~ labels described in paragraph "a" and shall, prior to  
9 utilizing a ~~sticker~~ label, notify licensed brewers and licensed  
10 beer importers of the type of ~~sticker~~ label to be utilized.  
11 Each ~~sticker~~ label shall contain a number and the following  
12 statement:

13     It is unlawful to sell, give, or otherwise supply any  
14 alcoholic beverage, wine, or beer to any person under legal  
15 age. Any person who defaces this ~~sticker~~ label shall be guilty  
16 of criminal mischief punishable pursuant to [section 716.6](#) and  
17 ~~shall cause the forfeiture of any deposit, if applicable.~~

18     (2) The identification ~~sticker~~ label shall be placed on  
19 the keg at the time of retail sale. The licensee or permittee  
20 shall ~~purchase~~ obtain the ~~stickers~~ labels referred to in this  
21 subsection from the division and ~~shall remit to the division~~  
22 ~~deposits forfeited pursuant to this lettered paragraph due to~~  
23 ~~defacement.~~ The cost of the ~~stickers~~ labels to licensees and  
24 permittees shall not exceed the division's cost of producing  
25 and distributing the ~~stickers~~ labels. The moneys collected by  
26 the division relating to the sale of ~~stickers~~ and ~~forfeited~~  
27 ~~deposits~~ labels shall be credited to the beer and liquor  
28 control fund.

29     Sec. 4. Section 123.138, subsection 2, paragraph d, Code  
30 2022, is amended by striking the paragraph.

31     Sec. 5. Section 123.187, subsection 2, paragraph d, Code  
32 2022, is amended by striking the paragraph.

33                     DIVISION II

34                     AUTOMATIC RENEWALS

35     Sec. 6. Section 123.34, subsection 1, Code 2022, is amended

1 by striking the subsection.

2 Sec. 7. NEW SECTION. 123.35 Expiration of licenses,  
3 permits, and certificates of compliance — automatic renewals.

4 1. Except as otherwise provided by this chapter, all  
5 licenses, permits, and certificates of compliance, unless  
6 sooner suspended or revoked, expire one year from date of  
7 issuance.

8 2. Notwithstanding section 123.31 and any other provision  
9 of this chapter to the contrary, a class "E" liquor control  
10 license shall automatically renew without the endorsement  
11 of a local authority or approval by the administrator upon  
12 collection of the annual fee by the division, provided all of  
13 the following conditions are met since the preceding license  
14 was issued:

15 a. The permittee has given written consent to the division  
16 to have the permit automatically renewed as provided in this  
17 section.

18 b. The license has not been suspended or revoked.

19 c. A civil penalty has not been imposed against the  
20 licensee.

21 d. An administrative proceeding is not pending against the  
22 licensee to suspend or revoke the license or to impose a civil  
23 penalty under this chapter.

24 e. The licensee has not submitted payment for alcoholic  
25 liquor to the division that was subsequently dishonored.

26 f. The licensee and all persons associated with the licensee  
27 as described in section 123.3, subsection 40, paragraph "e",  
28 have not been convicted of a violation of this chapter.

29 g. The licensed premises constitutes a safe and proper place  
30 or building and conforms with all applicable federal, state,  
31 and local laws, orders, ordinances, rules, resolutions, and  
32 health and fire regulations.

33 3. Notwithstanding sections 123.23, 123.135, 123.180,  
34 and any other provision of this chapter to the contrary, a  
35 distiller's, brewer's, or vintner's certificate of compliance

1 shall automatically renew without approval by the administrator  
2 upon collection of the annual fee by the division, provided  
3 all of the following conditions are met since the preceding  
4 certificate was issued:

5     *a.* The certificate holder has given written consent to  
6 the division to have the certificate automatically renewed as  
7 provided in this section.

8     *b.* The certificate has not been suspended or revoked.

9     *c.* A civil penalty has not been imposed against the  
10 certificate holder.

11     *d.* An administrative proceeding is not pending against the  
12 certificate holder to suspend or revoke the certificate or to  
13 impose a civil penalty under this chapter.

14     *e.* The certificate holder and all persons associated  
15 with the certificate holder as described in section 123.3,  
16 subsection 40, paragraph "e", have not been convicted of a  
17 violation of this chapter.

18     4. Notwithstanding section 123.187 and any other provision  
19 of this chapter to the contrary, a wine direct shipper's permit  
20 shall automatically renew without approval by the administrator  
21 upon collection of the annual fee by the division, provided all  
22 of the following conditions are met since the preceding permit  
23 was issued:

24     *a.* The permittee has given written consent to the division  
25 to have the permit automatically renewed as provided in this  
26 section.

27     *b.* The permit has not been suspended or revoked.

28     *c.* A civil penalty has not been imposed against the  
29 permittee.

30     *d.* An administrative proceeding is not pending against the  
31 permittee to suspend or revoke the permit or to impose a civil  
32 penalty under this chapter.

33     *e.* The permittee has filed all required reports and remitted  
34 all wine gallonage tax owed pursuant to section 123.183.

35     *f.* The permittee and all persons associated with the

1 permittee as described in section 123.3, subsection 40,  
2 paragraph "e", have not been convicted of a violation of this  
3 chapter.

4 Sec. 8. EFFECTIVE DATE. This division of this Act takes  
5 effect January 1, 2023.

6 DIVISION III

7 ALCOHOLIC BEVERAGE CONTROL REVENUES

8 Sec. 9. Section 123.17, subsection 5, Code 2022, is amended  
9 to read as follows:

10 5. a. After any transfer provided for in subsection 3 is  
11 made, the department of commerce shall transfer into a special  
12 revenue account in the general fund of the state, a sum of  
13 money at least equal to seven percent of the gross amount of  
14 sales made by the division from the beer and liquor control  
15 fund on a monthly basis but not less than nine million dollars  
16 annually.

17 b. Of the amounts transferred, two million dollars, plus an  
18 additional amount determined by the general assembly, shall be  
19 appropriated to the Iowa department of public health for use  
20 by the staff who administer the comprehensive substance abuse  
21 program under chapter 125 for substance abuse treatment and  
22 prevention programs.

23 c. In addition, of the amounts transferred, one million  
24 dollars, plus an additional amount determined by the general  
25 assembly, shall be appropriated to the Iowa department of  
26 public health for distribution pursuant to section 125.59.

27 d. Any amounts received in excess of the amounts  
28 appropriated to the Iowa department of public health for use  
29 by the staff who administer the comprehensive substance abuse  
30 program under chapter 125 pursuant to this subsection shall be  
31 considered part of the general fund balance.

32 Sec. 10. Section 123.143, subsection 1, Code 2022, is  
33 amended by striking the subsection.

34 Sec. 11. Section 123.143, subsection 2, Code 2022, is  
35 amended to read as follows:

1     2. All permit fees collected by the division under this  
2 subchapter shall accrue to the beer and liquor control fund,  
3 except as otherwise provided. All ~~permit fees and taxes~~  
4 collected by the division under this subchapter shall accrue to  
5 the state general fund, except as otherwise provided.

6     Sec. 12. Section 123.143, Code 2022, is amended by adding  
7 the following new subsection:

8     NEW SUBSECTION. 2A. All retail beer permit fees collected  
9 by the division shall be credited to the beer and liquor  
10 control fund. The division shall remit to the appropriate  
11 local authority a sum of money equal to the total amount of the  
12 fees collected for each retail beer permit covering premises  
13 located within the local authority's jurisdiction.

14     Sec. 13. Section 125.59, unnumbered paragraph 1, Code 2022,  
15 is amended to read as follows:

16     The treasurer of state, on each July 1 for that fiscal  
17 year, shall transfer the estimated amounts to be received  
18 from ~~section 123.36, subsection 8 and section 123.143,~~  
19 ~~subsection 1~~ section 123.17, subsection 5, paragraph "c", to the  
20 department.

21     Sec. 14. REPEAL. Section 123.97, Code 2022, is repealed.

22     Sec. 15. EFFECTIVE DATE. This division of this Act takes  
23 effect January 1, 2023.

24                                   DIVISION IV

25             CLASS "E" LIQUOR CONTROL LICENSES AND WINE PERMITS

26     Sec. 16. Section 123.30, subsection 3, paragraphs a and b,  
27 Code 2022, are amended to read as follows:

28     a. *Class "A".* A class "A" liquor control license may be  
29 issued to a club and shall authorize the holder to purchase  
30 alcoholic liquors in original unopened containers from class  
31 "E" liquor control licensees only, wine from class "A" wine  
32 permittees or ~~class "B" wine permittees who also hold class~~  
33 ~~"E" liquor control licenses~~ licensees only as provided in  
34 ~~sections 123.173~~ this subsection and section 123.177, and to  
35 sell alcoholic beverages to bona fide members and their guests

1 by the individual drink for consumption on the premises only.  
 2 *b. Class "B".* A class "B" liquor control license may be  
 3 issued to a hotel or motel and shall authorize the holder to  
 4 purchase alcoholic liquors in original unopened containers from  
 5 class "E" liquor control licensees only, wine from class "A"  
 6 wine permittees or ~~class "B" wine permittees who also hold~~  
 7 class "E" liquor control ~~licenses~~ licensees only as provided in  
 8 ~~sections 123.173~~ this subsection and section 123.177, and to  
 9 sell alcoholic beverages to patrons by the individual drink for  
 10 consumption on the premises only. However, beer may also be  
 11 sold for consumption off the premises. Each license shall be  
 12 effective throughout the premises described in the application.  
 13 Sec. 17. Section 123.30, subsection 3, paragraph c,  
 14 subparagraphs (1) and (2), Code 2022, are amended to read as  
 15 follows:

16 (1) A class "C" liquor control license may be issued to  
 17 a commercial establishment but must be issued in the name of  
 18 the individuals who actually own the entire business and shall  
 19 authorize the holder to purchase alcoholic liquors in original  
 20 unopened containers from class "E" liquor control licensees  
 21 only, wine from class "A" wine permittees or ~~class "B" wine~~  
 22 ~~permittees who also hold~~ class "E" liquor control ~~licenses~~  
 23 licensees only as provided in ~~sections 123.173~~ this subsection  
 24 and section 123.177, and to sell alcoholic beverages to patrons  
 25 by the individual drink for consumption on the premises only.  
 26 However, alcoholic liquor, wine, and beer in original unopened  
 27 containers may also be sold for consumption off the premises.  
 28 In addition, mixed drinks or cocktails may also be sold for  
 29 consumption off the premises subject to the requirements of  
 30 section 123.49, subsection 2, paragraph "d". The holder of a  
 31 class "C" liquor control license may also hold a special class  
 32 "A" beer permit for the premises licensed under a class "C"  
 33 liquor control license for the purpose of operating a brewpub  
 34 pursuant to this chapter.

35 (2) A special class "C" liquor control license may be



1 issued to a commercial establishment and shall authorize the  
 2 holder to purchase wine from class "A" wine permittees or ~~class~~  
 3 ~~"B" wine permittees who also hold~~ class "E" liquor control  
 4 ~~licenses~~ licensees only as provided in ~~sections 123.173~~ this  
 5 subsection and section 123.177, and to sell wine and beer to  
 6 patrons by the individual drink for consumption on the premises  
 7 only. However, beer may also be sold for consumption off the  
 8 premises. The license issued to holders of a special class "C"  
 9 liquor control license shall clearly state on its face that the  
 10 license is limited.

11 Sec. 18. Section 123.30, subsection 3, paragraph d,  
 12 subparagraph (2), Code 2022, is amended to read as follows:

13 (2) A class "D" liquor control licensee who operates a train  
 14 or a watercraft intrastate only, or an excursion gambling boat  
 15 licensed under chapter 99F, shall purchase alcoholic liquor in  
 16 original unopened containers from a class "E" liquor control  
 17 licensee only, wine from a class "A" wine permittee or a ~~class~~  
 18 ~~"B" wine permittee who also holds a class "E" liquor control~~  
 19 ~~license~~ licensee only as provided in ~~sections 123.173~~ this  
 20 subsection and section 123.177, and beer from a class "A" beer  
 21 permittee only.

22 Sec. 19. Section 123.30, subsection 3, paragraph e,  
 23 subparagraph (1), Code 2022, is amended to read as follows:

24 (1) A class "E" liquor control license may be issued and  
 25 shall authorize the holder to purchase alcoholic liquor in  
 26 original unopened containers from the division only, wine  
 27 from a class "A" wine permittee only, and ~~high alcoholic~~  
 28 ~~content~~ beer from a class "A" beer permittee only; and to sell  
 29 the alcoholic liquor, wine, and beer in original unopened  
 30 containers and high alcoholic content beer at retail to  
 31 patrons for consumption off the licensed premises; and to  
 32 sell alcoholic liquor and high alcoholic content beer at  
 33 wholesale to other liquor control licensees, provided the  
 34 holder has filed with the division a basic permit issued by the  
 35 alcohol and tobacco tax and trade bureau of the United States

1 department of the treasury. A holder of a class "E" liquor  
 2 control license may hold other retail liquor control licenses  
 3 or retail wine or beer permits, but the premises licensed under  
 4 a class "E" liquor control license shall be separate from other  
 5 licensed premises, though the separate premises may have a  
 6 common entrance. ~~However, the holder of a class "E" liquor~~  
 7 ~~control license may also hold a class "B" wine or class "C"~~  
 8 ~~beer permit or both for the premises licensed under a class "E"~~  
 9 ~~liquor control license.~~ A class "E" liquor control licensee  
 10 may sell wine to class "A", class "B", class "C", special  
 11 class "C", and class "D" liquor control licensees for resale  
 12 for consumption on the premises. Such wine sales shall be in  
 13 quantities of less than one case of any wine brand but not more  
 14 than one such sale shall be made to the same liquor control  
 15 licensee in a twenty-four-hour period.

16 Sec. 20. Section 123.36, subsection 9, Code 2022, is amended  
 17 by striking the subsection and inserting in lieu thereof the  
 18 following:

19 9. Class "E" liquor control license fees shall be determined  
 20 as follows:

21 a. For premises located within the corporate limits of a  
 22 city with a population of one thousand five hundred or less, a  
 23 sum determined as follows:

24 (1) For a premises with a square footage of one thousand  
 25 five hundred or less, seven hundred fifty dollars.

26 (2) For a premises with a square footage of more than one  
 27 thousand five hundred but not more than two thousand, one  
 28 thousand five hundred dollars.

29 (3) For a premises with a square footage of more than two  
 30 thousand but not more than five thousand, two thousand five  
 31 hundred dollars.

32 (4) For a premises with a square footage over five thousand,  
 33 three thousand five hundred dollars.

34 b. For premises located within the corporate limits of a  
 35 city with a population of more than one thousand five hundred

1 but less than ten thousand, a sum determined as follows:

2 (1) For a premises with a square footage of one thousand  
3 five hundred or less, one thousand five hundred dollars.

4 (2) For a premises with a square footage of more than one  
5 thousand five hundred but not more than two thousand, two  
6 thousand five hundred dollars.

7 (3) For a premises with a square footage of more than two  
8 thousand but not more than five thousand, three thousand five  
9 hundred dollars.

10 (4) For a premises with a square footage over five thousand,  
11 five thousand dollars.

12 c. For premises located within the corporate limits  
13 of a city with a population of ten thousand or more, a sum  
14 determined as follows:

15 (1) For a premises with a square footage of one thousand  
16 five hundred or less, two thousand five hundred dollars.

17 (2) For a premises with a square footage of more than one  
18 thousand five hundred but not more than two thousand, three  
19 thousand five hundred dollars.

20 (3) For a premises with a square footage of more than  
21 two thousand but not more than five thousand, five thousand  
22 dollars.

23 (4) For a premises with a square footage over five thousand,  
24 seven thousand five hundred dollars.

25 d. For premises located outside the corporate limits of  
26 any city, a sum equal to that charged to a premises with the  
27 same square footage in the incorporated city located nearest  
28 the premises to be licensed. If there is doubt as to which  
29 of two or more differing corporate limits is the nearest, the  
30 license fee which is the largest shall prevail. However, if  
31 the premises is located in an unincorporated town, for purposes  
32 of this paragraph, the unincorporated town shall be treated as  
33 if it is a city.

34 Sec. 21. Section 123.173, subsections 2 and 3, Code 2022,  
35 are amended to read as follows:

1     2. A class "A" wine permit allows the holder to manufacture  
2 and sell, or sell at wholesale, in this state, wine. The  
3 holder of a class "A" wine permit may manufacture in this state  
4 wine having an alcoholic content greater than seventeen percent  
5 by weight or twenty-one and twenty-five hundredths percent of  
6 alcohol by volume for shipment outside this state. All class  
7 "A" premises shall be located within the state. ~~A class "B" or~~  
8 ~~class "B" native wine permit allows the holder to sell wine at~~  
9 ~~retail for consumption off the premises. A class "B" or class~~  
10 ~~"B" native wine permittee who also holds a class "E" liquor~~  
11 ~~control license may sell wine to class "A", class "B", class~~  
12 ~~"C", special class "C", and class "D" liquor control licensees~~  
13 ~~for resale for consumption on the premises. Such wine sales~~  
14 ~~shall be in quantities of less than one case of any wine brand~~  
15 ~~but not more than one such sale shall be made to the same liquor~~  
16 ~~control licensee in a twenty-four-hour period. A class "B" or~~  
17 ~~class "B" native wine permittee shall not sell wine to other~~  
18 ~~class "B" or class "B" native wine permittees. A class "C"~~  
19 ~~native wine permit allows the holder to sell native wine for~~  
20 ~~consumption on or off the premises.~~

21     3. A class "A" wine permittee shall be required to deliver  
22 wine to a retail wine permittee, and a retail wine permittee  
23 shall be required to accept delivery of wine from a class  
24 "A" wine permittee, only at the licensed premises of the  
25 retail wine permittee. Except as specifically permitted by  
26 the division upon good cause shown, delivery or transfer  
27 of wine from an unlicensed premises to a licensed retail  
28 wine permittee's premises, or from one licensed retail  
29 wine permittee's premises to another licensed retail wine  
30 permittee's premises, even if there is common ownership of all  
31 of the premises by one retail permittee, is prohibited. A  
32 ~~class "B" or class "B" native wine permittee who also holds~~  
33 ~~a class "E" liquor control license shall keep and maintain~~  
34 ~~records for each sale of wine to liquor control licensees~~  
35 ~~showing the name of the establishment to which wine was sold,~~

1 ~~the date of sale, and the brands and number of bottles sold to~~  
2 ~~the liquor control licensee.~~

3 Sec. 22. Section 123.173, subsection 4, Code 2022, is  
4 amended by striking the subsection.

5 Sec. 23. EFFECTIVE DATE. This division of this Act takes  
6 effect January 1, 2023.

7 DIVISION V

8 SPECIAL LICENSES AND PERMITS

9 Sec. 24. Section 123.32, subsection 1, paragraph b,  
10 subparagraph (7), Code 2022, is amended to read as follows:

11 (7) A charity beer, spirits, and wine ~~auction~~ special event  
12 permit as provided in [section 123.173A](#).

13 Sec. 25. Section 123.32, subsection 1, paragraph b,  
14 subparagraph (8), Code 2022, is amended by striking the  
15 subparagraph.

16 Sec. 26. Section 123.34, subsection 2, Code 2022, is amended  
17 to read as follows:

18 2. a. The administrator may issue ~~six-month or~~ eight-month  
19 seasonal class "A", class "B", class "C", special class "C",  
20 and class "D" liquor control licenses, class "B" wine permits,  
21 class "B" or class "C" native wine permits, or class "B" beer  
22 permits.

23 b. The fee for ~~a six-month or an~~ eight-month seasonal  
24 license or permit issued pursuant to [this subsection](#) shall be  
25 ~~for a proportionate part~~ fifty percent of the license or permit  
26 fee for that class of license or permit. However, the fee for  
27 a seasonal class "B" native wine permit shall be the permit fee  
28 provided in [section 123.179, subsection 4](#), and the fee for a  
29 seasonal class "C" native wine permit shall be the permit fee  
30 provided in [section 123.179, subsection 5](#).

31 Sec. 27. Section 123.39, subsection 1, paragraph a,  
32 subparagraph (2), Code 2022, is amended to read as follows:

33 (2) The administrator may suspend a certificate  
34 of compliance, a class "D" liquor control license, a  
35 manufacturer's license, a broker's permit, a class "A" native

1 distilled spirits license, a class "A" or special class "A"  
2 beer permit, a charity beer, spirits, and wine ~~auction~~ special  
3 event permit, a class "A" wine permit, a wine direct shipper's  
4 permit, or a wine carrier permit for a period not to exceed one  
5 year, revoke the license, permit, or certificate, or impose a  
6 civil penalty not to exceed one thousand dollars per violation.

7 Sec. 28. Section 123.173A, Code 2022, is amended by striking  
8 the section and inserting in lieu thereof the following:

9 123.173A Charity beer, spirits, and wine special event  
10 permit.

11 1. For purposes of this section:

12 a. "*Authorized nonprofit entity*" includes a nonprofit  
13 entity which has a principal office in the state, a nonprofit  
14 corporation organized under chapter 504, or a foreign  
15 corporation as defined in section 504.141, whose income is  
16 exempt from federal taxation under section 501(c) of the  
17 Internal Revenue Code.

18 b. "*Charity auction*" means an auction conducted by an  
19 authorized nonprofit entity which includes beer, spirits, and  
20 wine.

21 c. "*Charity event*" means an event at which an authorized  
22 nonprofit entity may serve the event's attendees beer,  
23 spirits, and wine for consumption on the premises of the event,  
24 regardless of whether the entity charges an admission fee to  
25 the event or otherwise collects the cost of the beer, spirits,  
26 and wine served from the event's attendees.

27 d. "*Charity special event*" means a charity auction, charity  
28 event, or a combined charity auction and charity event.

29 2. Upon application to the division and receipt of a charity  
30 beer, spirits, and wine special event permit, an authorized  
31 nonprofit entity may conduct a charity special event subject to  
32 the requirements of this section.

33 3. A charity auction conducted by a charity beer, spirits,  
34 and wine special event permittee shall comply with the  
35 following requirements:

1     *a.* The authorized nonprofit entity conducting the charity  
2 auction shall obtain the beer, spirits, and wine to be  
3 auctioned at the charity auction from an Iowa retail beer  
4 permittee, an Iowa retail liquor control licensee, or an Iowa  
5 retail wine permittee, or may receive donations of beer,  
6 spirits, or wine to be auctioned at the charity auction from  
7 persons who purchased the donated beer, spirits, or wine from  
8 an Iowa retail beer permittee, an Iowa retail liquor control  
9 licensee, an Iowa class "A" native distilled spirits licensee,  
10 or an Iowa retail wine permittee and who present a receipt  
11 documenting the purchase at the time the beer, spirits, or wine  
12 is donated. The authorized nonprofit entity conducting the  
13 charity auction shall retain a copy of the receipt for a period  
14 of one year from the date of the charity beer, spirits, and  
15 wine auction.

16     *b.* The beer, spirits, and wine sold at the charity auction  
17 shall be in original containers for consumption off of the  
18 premises where the charity auction is conducted. No other  
19 alcoholic beverage may be sold by the charity beer, spirits,  
20 and wine special event permittee at the charity auction. A  
21 purchaser of beer, spirits, or wine at a charity auction shall  
22 not take possession of the beer, spirits, or wine until the  
23 person is leaving the event. A purchaser of beer, spirits,  
24 or wine at a charity auction shall not open the container or  
25 consume or permit the consumption of the beer, spirits, or  
26 wine purchased on the premises where the charity auction is  
27 conducted. A purchaser of beer, spirits, or wine at a charity  
28 auction shall not resell the beer, spirits, or wine.

29     *c.* A liquor control licensee, beer permittee, class "A"  
30 native distilled spirits licensee, or wine permittee shall not  
31 purchase beer, spirits, or wine at a charity auction. The  
32 charity auction may be conducted on a premises for which a  
33 class "B" liquor control license or class "C" liquor control  
34 license has been issued, provided that the liquor control  
35 licensee does not participate in the charity auction, supply

1 beer, spirits, or wine to be auctioned at the charity auction,  
2 or receive any of the proceeds of the charity auction.

3 4. A charity event conducted by a charity beer, spirits, and  
4 wine special event permittee shall comply with the following  
5 requirements:

6 a. The charity event shall be conducted on a premises  
7 covered by a valid liquor control license or retail wine or  
8 beer permit issued by the division.

9 b. The authorized nonprofit entity conducting a charity  
10 event shall have a written agreement with the liquor control  
11 licensee or wine or beer permittee covering the premises where  
12 the charity event is to be conducted specifying that that  
13 licensee or permittee shall act as the agent of the authorized  
14 nonprofit entity for the purpose of providing and serving  
15 alcoholic beverages to the attendees of the charity event.

16 c. The liquor control licensee or wine or beer permittee  
17 covering the premises where the charity event is to be  
18 conducted shall supply all alcoholic beverages served to the  
19 attendees of the charity event.

20 d. Only those types of alcoholic beverages as are authorized  
21 to be sold by the liquor control license or wine or beer  
22 permit covering the premises where the charity event is to be  
23 conducted are to be served to the attendees of the charity  
24 event.

25 5. An application for a charity beer, spirits, and wine  
26 special event permit to conduct a charity special event shall  
27 include all of the following information:

28 a. The date and time when the charity special event is to be  
29 conducted and the location of the premises in this state where  
30 the charity special event is to be physically conducted.

31 b. The liquor control license or wine or beer permit number  
32 issued by the division for the premises where a charity event  
33 is to be conducted, if applicable.

34 c. A certification that the objective of the charity special  
35 event is to raise funds solely to be used for educational,



1 religious, or charitable purposes and that the entire proceeds  
2 from the charity special event are to be expended for any of  
3 the purposes described in section 423.3, subsection 78.

4 6. An authorized nonprofit entity shall be eligible to  
5 receive no more than two charity beer, spirits, and wine  
6 special event permits during a calendar year and each charity  
7 beer, spirits, and wine special event permit shall be valid for  
8 a period not to exceed thirty-six consecutive hours.

9 7. Any violation of the requirements of this chapter or  
10 the rules adopted pursuant to this chapter shall subject  
11 the charity beer, spirits, and wine special event permit  
12 holder to the general penalties provided in this chapter and  
13 shall constitute grounds for imposition of a civil penalty,  
14 suspension of the permit, or revocation of the permit after  
15 notice and opportunity for a hearing pursuant to section 123.39  
16 and chapter 17A.

17 Sec. 29. Section 123.179, subsection 6, Code 2022, is  
18 amended to read as follows:

19 6. The fee for a charity beer, spirits, and wine ~~auction~~  
20 special event permit is one hundred dollars.

21 Sec. 30. Section 123.179, subsection 7, Code 2022, is  
22 amended by striking the subsection.

23 Sec. 31. REPEAL. Section 123.173B, Code 2022, is repealed.

24 Sec. 32. EFFECTIVE DATE. This division of this Act takes  
25 effect January 1, 2023.

26 DIVISION VI

27 SUNDAY SALES

28 Sec. 33. Section 123.34, subsections 3 and 4, Code 2022, are  
29 amended to read as follows:

30 3. a. The administrator may issue fourteen-day class "A",  
31 class "B", class "C", special class "C", and class "D" liquor  
32 control licenses, and fourteen-day class "B" beer permits,  
33 class "B" native wine permits, and class "C" native wine  
34 permits.

35 b. A fourteen-day license or permit, if granted, is valid

1 for fourteen consecutive days, ~~but the holder shall not sell on~~  
2 ~~the two Sundays in the fourteen-day period unless the holder~~  
3 ~~qualifies for and obtains the privilege to sell on Sundays~~  
4 ~~contained in [section 123.36, subsection 6](#), and section 123.134,~~  
5 ~~subsection 4.~~

6     *c.* (1) The fee for a fourteen-day liquor control license  
7 or beer permit is one quarter of the annual fee for that class  
8 of liquor control license or beer permit. ~~The fee for the~~  
9 ~~privilege to sell on the two Sundays in the fourteen-day period~~  
10 ~~is twenty percent of the price of the fourteen-day liquor~~  
11 ~~control license or beer permit.~~

12     (2) The fee for a fourteen-day class "B" native wine permit  
13 shall be the permit fee provided in section 123.179, subsection  
14 4, and the fee for a fourteen-day class "C" native wine permit  
15 is the permit fee provided in [section 123.179, subsection 5](#).

16     4. *a.* The administrator may issue five-day class "A", class  
17 "B", class "C", special class "C", and class "D" liquor control  
18 licenses, and five-day class "B" beer permits, class "B" native  
19 wine permits, and class "C" native wine permits.

20     *b.* A five-day license or permit is valid for five  
21 consecutive days, ~~but the holder shall not sell alcoholic~~  
22 ~~beverages on Sunday in the five-day period unless the holder~~  
23 ~~qualifies for and obtains the privilege to sell on Sunday~~  
24 ~~pursuant to [section 123.36, subsection 6](#), and section 123.134,~~  
25 ~~subsection 4.~~

26     *c.* (1) The fee for the five-day liquor control license  
27 or beer permit is one-eighth of the annual fee for that class  
28 of license or permit. ~~The fee for the privilege to sell on a~~  
29 ~~Sunday in the five-day period is ten percent of the price of~~  
30 ~~the five-day liquor control license or beer permit.~~

31     (2) The fee for a five-day class "B" native wine permit  
32 shall be the permit fee provided in section 123.179, subsection  
33 4, and the fee for a five-day class "C" native wine permit is  
34 the permit fee provided in [section 123.179, subsection 5](#).

35     Sec. 34. Section 123.36, subsection 6, Code 2022, is amended

1 by striking the subsection.

2 Sec. 35. Section 123.36, subsection 8, Code 2022, is amended  
3 to read as follows:

4 8. The division shall credit all fees to the beer and liquor  
5 control fund. The division shall remit to the appropriate  
6 local authority, a sum equal to sixty-five percent of the fees  
7 collected for each class "A", class "B", or class "C" license  
8 except special class "C" licenses or class "E" licenses,  
9 covering premises located within the local authority's  
10 jurisdiction. The division shall remit to the appropriate  
11 local authority a sum equal to seventy-five percent of the fees  
12 collected for each special class "C" license covering premises  
13 located within the local authority's jurisdiction. Those fees  
14 ~~collected for the privilege authorized under subsection 6 and~~  
15 ~~those fees collected for each class "E" liquor control license~~  
16 shall be credited to the beer and liquor control fund.

17 Sec. 36. Section 123.46A, subsection 3, paragraph b, Code  
18 2022, is amended to read as follows:

19 b. Orders for deliveries may be taken by the licensee or  
20 permittee between the hours of 2:00 a.m. and 6:00 a.m.  
21 ~~on a day other than Sunday, and orders for deliveries may~~  
22 ~~be taken between the hours of 2:00 a.m. and 6:00 a.m. on a~~  
23 ~~Sunday provided the licensee or permittee has been granted~~  
24 ~~the privilege of selling alcoholic liquor, wine, beer, or~~  
25 ~~mixed drinks or cocktails on Sunday on any day of the week,~~  
26 notwithstanding any provision of [section 123.49, subsection 2](#),  
27 paragraph "b", to the contrary.

28 Sec. 37. Section 123.49, subsection 2, paragraph b, Code  
29 2022, is amended to read as follows:

30 b. Sell or dispense any alcoholic beverage on the premises  
31 covered by the license or permit, or permit its consumption  
32 thereon between the hours of 2:00 a.m. and 6:00 a.m. on a  
33 ~~weekday, and between the hours of 2:00 a.m. on Sunday and 6:00~~  
34 ~~a.m. on the following Monday, however, a holder of a liquor~~  
35 ~~control license or retail wine or beer permit granted the~~

1 ~~privilege of selling alcoholic liquor, wine, or beer on Sunday~~  
2 ~~may sell or dispense alcoholic liquor, wine, or beer between~~  
3 ~~the hours of 6:00 a.m. on Sunday and 2:00 a.m. on the following~~  
4 ~~Monday any day of the week.~~

5 Sec. 38. Section 123.49, subsection 4, Code 2022, is amended  
6 by striking the subsection.

7 Sec. 39. Section 123.134, subsection 4, Code 2022, is  
8 amended by striking the subsection.

9 Sec. 40. REPEAL. Section 123.150, Code 2022, is repealed.

10 Sec. 41. EFFECTIVE DATE. This division of this Act takes  
11 effect January 1, 2023.

12 EXPLANATION

13 The inclusion of this explanation does not constitute agreement with  
14 the explanation's substance by the members of the general assembly.

15 This bill relates to alcoholic beverage control and matters  
16 under the purview of the alcoholic beverages division.

17 Division I of the bill relates to keg identification  
18 stickers, deliveries of alcoholic beverages, and the wine  
19 direct shipper permit.

20 Code section 123.46A, concerning delivery of alcoholic  
21 beverages by retailers, is amended to provide that deliveries  
22 shall occur on the same day the order for delivery of alcoholic  
23 beverages is removed from the licensed premises of the  
24 retailer.

25 Code section 123.138, concerning keg identification  
26 stickers, is amended to provide for a keg identification label  
27 instead of a sticker. In addition, the bill strikes provisions  
28 concerning the forfeiture and remittance of deposits relating  
29 to defacing the keg identification label.

30 Code section 123.187, concerning the wine direct shipper  
31 permit, is amended to remove the requirement that an  
32 application for the permit be accompanied by a bond if not  
33 otherwise required to submit a bond as a wine manufacturer.

34 Division II of the bill relates to the renewal of certain  
35 licenses, permits, and certificates of compliance.

1 Code section 123.34, subsection 1, providing generally  
2 for the expiration of licenses, permits, and certificates of  
3 compliance one year from the date of issuance, and including a  
4 notification requirement by the administrator of the alcoholic  
5 beverage division prior to expiration, is stricken.

6 New Code section 123.35 includes the provision from  
7 current Code section 123.34 providing for the expiration of  
8 licenses, permits, and certificates of compliance without  
9 the notification requirement. The new Code section further  
10 provides, notwithstanding any provision of Code chapter 123  
11 to the contrary, for the automatic renewal of a class "E"  
12 liquor control license, a distiller's, vintner's, or brewer's  
13 certificate of compliance, and a wine direct shipper's  
14 permit. The bill allows the renewal of the applicable license,  
15 certificate, or permit without approval by the administrator  
16 of the alcoholic beverages division or endorsement of any  
17 applicable local authority upon collection of the annual fee  
18 for that license, certificate, or permit by the alcoholic  
19 beverages division, provided certain conditions are met since  
20 the preceding license, certificate, or permit was issued. The  
21 bill provides that the license, certificate, or permit can be  
22 automatically renewed if, in the preceding year, the license,  
23 certificate, or permit has not been suspended or revoked,  
24 a civil penalty has not been imposed, an administrative  
25 proceeding is not pending to suspend or revoke the license,  
26 certificate, or permit or to impose a civil penalty, all  
27 required payments to the division have been made, and the  
28 licensee, certificate holder, or permittee, and all persons  
29 associated with the licensee, certificate holder, or permittee  
30 as described in Code section 123.3, subsection 40, paragraph  
31 "e", have not been convicted of a violation of Code chapter  
32 123. In addition, for renewal of a class "E" liquor control  
33 license, the licensed premises shall constitute a safe and  
34 proper place and building that complies with all applicable  
35 building-related regulations.

1     This division of the bill takes effect January 1, 2023.

2     Division III of the bill relates to the distribution of  
3 certain alcoholic beverage control revenues.

4     Code section 123.17, concerning transfers from the beer  
5 and liquor control fund, is amended. The bill provides that  
6 of the moneys transferred to a special revenue account in the  
7 general fund of the state from the beer and liquor control  
8 fund, \$1 million, plus any additional amount as determined by  
9 the general assembly, shall be appropriated to the department  
10 of public health to be distributed as provided in Code section  
11 125.59 as grants to counties, persons, or nonprofit entities  
12 for substance abuse and prevention programs. Code section  
13 125.59 is amended to reflect that only this new appropriation  
14 shall be transferred to the department of public health for the  
15 purposes of Code section 125.59.

16     Code section 123.143, concerning distribution of certain  
17 beer permit fees, is amended. The bill provides that all  
18 beer-related permit fees collected by the alcoholic beverages  
19 division shall accrue to the beer and liquor control fund  
20 except as otherwise provided. The bill also provides that  
21 of the retail beer permit fees collected by the alcoholic  
22 beverages division, the division shall remit to the applicable  
23 local authority a sum of money equal to the retail beer permit  
24 fees collected by the division covering premises covered by the  
25 local authority's jurisdiction. The bill further eliminates  
26 the requirement that retail beer permit fees collected by the  
27 local authority be transferred as provided in Code section  
28 125.59.

29     Code section 123.97, providing that most revenues arising  
30 under the operation of Code chapter 123 become part of the  
31 general fund of the state, is repealed as inconsistent with the  
32 provisions of current Code section 123.17.

33     This division of the bill takes effect January 1, 2023.

34     Division IV of the bill relates to class "E" liquor control  
35 licenses.

1 Code section 123.30, concerning liquor control licenses, is  
2 amended. The bill provides that a class "E" liquor control  
3 licensee can purchase wine and beer from a class "A" wine  
4 or beer permittee only, respectively. The bill specifically  
5 allows the class "E" licensee to sell wine and beer in unopened  
6 containers at retail, and to sell alcoholic liquor and high  
7 alcoholic content beer at wholesale. The bill strikes a  
8 provision allowing the holder of a class "E" liquor control  
9 license to also hold a class "B" wine or class "C" beer permit  
10 for the premises licensed under the class "E" license.

11 The bill allows a class "E" liquor control licensee to  
12 sell wine to a class "A", class "B", class "C", special class  
13 "C", and class "D" liquor control licensee for resale for  
14 consumption on the premises in limited quantities as specified  
15 by the bill.

16 Code section 123.36, concerning class "E" liquor control  
17 license fees, is amended. The bill establishes license fees  
18 based on the population of the city where the premises is  
19 located as well as the square footage of the licensed premises.  
20 Current law bases the fees only on the population of the city  
21 where the premises is located.

22 Code section 123.173, concerning wine permits, is amended to  
23 strike provisions granting the authority, and requiring certain  
24 reports, relating to a class "E" liquor control licensee that  
25 also holds a class "B" wine permit or class "B" native wine  
26 permit to sell wine in limited quantities.

27 This division of the bill takes effect January 1, 2023.

28 Division V of the bill relates to certain special licenses  
29 and permits.

30 Code section 123.34, concerning seasonal licenses and  
31 permits, is amended. The bill eliminates the six-month  
32 seasonal license or permit and provides that the fee for an  
33 eight-month seasonal license or permit shall be 50 percent of  
34 the license or permit fee for that class of license or permit  
35 instead of a proportional share of that fee.

1 Code section 123.173A, providing for a charity beer,  
2 spirits, and wine auction permit, and Code section 123.173B,  
3 providing for a charity beer, spirits, and wine event permit,  
4 are stricken and replaced with a combined charity beer,  
5 spirits, and wine special event permit, allowing the permit  
6 holder to conduct a charity auction, charity event, or a  
7 combined charity auction and charity event in a similar manner  
8 as is allowed under current law for the two separate permits.  
9 The bill only allows one charity auction, charity event, or  
10 combined charity auction and charity event, to be conducted  
11 during the period of the permit and limits a person to no more  
12 than two special event permits in a calendar year.

13 This division of the bill takes effect January 1, 2023.

14 Division VI of the bill concerns Sunday sales of alcoholic  
15 beverages. The bill eliminates the requirement to obtain a  
16 special privilege to sell alcoholic beverages on Sunday and  
17 provides that sales or other activities relating to alcoholic  
18 beverages on Sunday will be allowed to the same extent as they  
19 are allowed on any other day.

20 This division of the bill takes effect January 1, 2023.